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DeNUCCI SAYS NEW BEDFORD OCEANARIUM NEEDS BETTER CONTROLS OVER CONSULTANTS' CONTRACTS

State Auditor Joe DeNucci reported today that the New Bedford Oceanarium Corporation should improve its internal controls over contract management procedures, citing weaknesses in the more than \$4.7 million it has awarded during the last decade to 36 consultants.

Although the review found that state funds for the Oceanarium project were expended in accordance with the terms of its state contract, DeNucci's audit disclosed that more than \$1.5 million in consultant contracts reviewed by his office were not competitively bid from fiscal year 1997 through 2003.

The audit also disclosed that some consultants were paid without adequate documentation of services provided. For example, a consultant who formerly functioned as the corporation's executive director submitted a monthly bill for \$10,000 for "professional services," but the invoices gave no indication as to the hours worked, the services provided or the hourly rate of compensation.

In addition, DeNucci's audit determined that the corporation must improve certain aspects of its human resource management policy, such as establishing job descriptions, performance goals and reassessing fringe benefit compensation levels for its employees.

Also, DeNucci noted that the corporation, which has established a conflict of interest policy that includes nearly all of the Attorney General's guidelines on such matters, should add an amendment that specifically addresses potential questions arising from the relationship between board members' investments and the corporation's investment decisions.

Oceanarium officials have begun to address the matters raised in DeNucci's audit, including the development of a new contract review and approval process.

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“Before the project becomes reality, the Oceanarium Corporation should continue to strengthen its controls over contract management and other areas of its financial operation in order to safeguard both the public and private investments in this venture,” said DeNucci.

DeNucci’s audit, which focused on internal controls and financial management, was conducted in conjunction with the State Inspector General.

Established in 1993, the Oceanarium Corporation’s mission is to create a world-class facility that will educate and entertain citizens about the ocean and its inhabitants, as well as bring jobs and economic development to the Commonwealth’s South Coast region. The project is still in the planning process.